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Attorneys for Defendants

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA**

In re YELLOWSTONE MOUNTAIN
CLUB, LLC,

BRIAN A. GLASSER, SUCCESSOR
TRUSTEE OF THE YELLOWSTONE
CLUB LIQUIDATING TRUST,

Plaintiff,

vs.

TIMOTHY L. BLIXSETH, CASA 20
LLC, TAMARINDO, LLC

Defendants.

Case No. 08-61570-11-RBK

Adversary Proceeding: 09-00064

No. 2:13-cv-00068

**DEFENDANT TIMOTHY L.
BLIXSETH'S DECLARATION
IN SUPPORT OF HIS PETITION
FOR RELEASE FROM
INCARCERATION**

I, Timothy L. Blixseth, being of lawful age and duly sworn, based on my own personal knowledge, hereby make this Declaration pursuant to 28 U.S.C. §1746 and declare under penalty of perjury the following:

1. This is my seventh week of incarceration at the Cascade County Adult Detention Facility in Great Falls, Montana. For my safety, I am in solitary confinement for 23 hours of each day and I have no access to a computer or the internet. My only means of communication are by telephone (limited to 15 minutes per call, and only during the one hour that I am out of my cell), and letters written with a pencil and paper purchased by my wife, or when my attorney in Montana drives 115 miles each way to visit with me.

2. I have never refused to testify or produce documents as ordered by the Court and I have done my best to comply with this Court's orders regarding the production of records for an "accounting." However, I have no formal training in accounting, and in my businesses and accountings, have always relied on others with such training to maintain the books of the various business ventures. Given the conditions of my incarceration, it has been extremely difficult for me to comply with this Court's April 20, 2015 Order.

3. Given my conditions of custody and my difficulty to comply with the April 20, 2015 Order from my jail cell, since my incarceration, my wife, Jessica Blixseth hired the accounting firm of Keller CPAs of Meridian, Idaho to provide an

additional accounting. The lead accountant, Cameron Keller graduated in 2003 with his Masters from one of the nation's top schools (BYU) and led a team of accountant professionals to further comply with the Court's order. It has taken over four weeks of full-time work by multiple accountant professionals to prepare the revised accounting.

4. After the accountants completed the accounting and double-checked it for accuracy, my attorney, Phillip DeFelice, provided me a copy of the accounting at the Cascade County Adult Detention Facility along with all the documents to review and approve.

5. This accounting of the sale proceeds from the sale of Tamarindo Hotel prepared by Keller CPAs is a level of accounting that has not been available to me in the past as it was not the practice of Tamarindo Hotel and Resort to prepare or maintain this level of accounting.

6. After reviewing the accounting and all the backup documents contained in the excerpts of record, I hereby swear under penalty of perjury to the best of my personal knowledge that the accounting attached hereto as Exhibit 1 accounts in full for the sale of the Tamarindo Hotel and Resort as ordered by this Court.

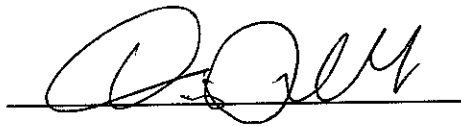
7. All the documents that I know to be responsive that I have had in my possession, custody and control, regarding the sale and use of the proceeds from the sale of the Tamarindo Hotel and Resort have been provided and cited to.

8. Regarding certain monies provided to Jessica Blixseth and Beau Blixseth, after I resigned as manager of Western Pacific Timber, LLC in January 1, 2011, Kawish LLC began receiving \$500,000 per year to manage WPT. The \$41,666.66 monthly management fee transfers from Kawish to an account held by Jessica Blixseth was not money from the sale of the Tamarindo Hotel and Resort but was instead, management fees from WPT. I am no longer a manager of Western Pacific Timber, LLC and have no ability to produce documents held by WPT.

9. Beau Blixseth received a one-time payment of \$100,000 for management responsibilities with regard to Desert Ranch Management. Beau did not receive monthly \$100,000 management fees from Desert Ranch Management. But for my wife, Jessica Blixseth, my attorneys, and other third parties, I would have been unable to provide the attached accounting.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 3, 2015.

A handwritten signature in black ink, appearing to read 'Timothy L. Blixseth', is written over a horizontal line.

Timothy L. Blixseth